

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Vermont Coffee Company

Vermont Manufacturing Extension Center

Vermont Coffee Company Increases Efficiencies with Lean

Client Profile:

The Vermont Coffee Company (VCC), a privately held corporation, was founded in Bristol, Vermont in 2001, and moved to Middlebury in 2007. The company currently employs 12 people. VCC's specialty is 'big, bold coffee,' the result of proprietary blends and a unique 'slow-roasted' style. All the coffees they use are certified organic to USDA standards and are purchased under international fair trade guidelines.

Situation:

While still in their Bristol facility, VCC consulted with the Vermont Manufacturing Extension Center (VMEC), a NIST MEP network affiliate, regarding production flow. Utilizing the information learned from VMEC, they set up their new facility for optimum flow. After the first year in the new facility, however, they realized they needed to take the next step to simplify order-processing procedures. Additionally, they knew efficiencies needed to be constantly evaluated in order to remain competitive in the marketplace, especially during the current economic downturn. The company once again called upon VMEC for assistance.

Solution:

VCC first met with VMEC to evaluate their current processes, and determined that these processes could be enhanced through the utilization of a Supermarket and Kanban System. VMEC educated the production team on the system and the benefits they would see from this change. The second step was a training session with management to lay out the steps needed to make this change. VMEC provided support through this process and was available for further discussions as needed. The changes made to their production systems allowed VCC to increase efficiencies by eliminating a cumbersome spreadsheet and some procedural steps in their order process system, freeing up hours equaling approximately .5 FTE (full-time equivalent). It also created a more streamlined flow of information, as the customer orders were now the catalyst for production. This allowed VCC to lessen the number of times information was touched and cut out unnecessary analysis of this information, thereby shortened order processing time by several hours per day. Since VCC's business model is to move product from roast to ship within 24 hours without maintaining an inventory, it was vital to have a system that could easily adjust stocking levels as needed. The combination of a supermarket and kanban system achieved this goal. Through the increase in efficiencies they have seen their cost of production decrease, and with that decrease, they were able to hire two new employees.

Results:

- * Increased sales by \$300,000.
- * Reduced production costs by \$75,000.

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* Created 2 jobs.

Testimonial:

"The knowledge, expertise, and support of VMEC personnel made all the difference in this transition. They worked with us until we had the results we were looking for. We were extremely impressed with their knowledge and the results they secured."

Colleen Smith , General Manager